

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 ACDA-12 CIAE-00 INR-07 IO-14 L-03
NSAE-00 NSC-05 EB-08 NRC-07 OES-07 SOE-01 DODE-00
DOE-12 SS-15 SP-02 PA-02 PRS-01 USIA-15 PM-05
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FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC PRIORITY 5742

INFO AMEMBASSY BRUSSELS

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

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USEEC

FOR EUR/CAN AND OES/NET, AMBASSADOR GERARD SMITH
DEPARTMENT PLEASE PASS TO DOE/SIEVERING

E.O. 11652: N/A

TAGS: TECH, ENGR, PARM, EC

SUBJECT: CANADA/EC NUCLEAR AGREEMENT

1. MINISTER JAMIESON, SECRETARY OF STATE OF GOC, IN A
PRESENTATION TO PARLIAMENT ON 19 DECEMBER 1977,
INCLUDED THE HIGHLIGHTS AND STATUS OF THE
GOC/EC NUCLEAR AGREEMENT IN HIS GENERAL STATEMENTS ON
CANADA'S RELATIONSHIPS WITH OTHER NATIONS. HE STATED
"NUCLEAR NEGOTIATIONS (WITH EEC) WHICH HAVE BEEN GOING
ON FOR A VERY LONG TIME, BUT WHICH I AM HAPPY TO REPORT,
APPEAR TO BE AT LEAST WITHIN TOUCH OF BEING SETTLED
SATISFACTORILY FOR ALL SIDES." KEY POINTS IN THE
AGREEMENT ACCORDING TO JAMIESON ARE AS FOLLOWS:

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A) THE AGREEMENT MEETS ALL OF THE REQUIREMENTS OF THE
1974 POLICY. (HE COMMENTED THAT SOME OF THE COUNTRIES
TAKE STRONG EXCEPTION TO SOME OF THE REQUIREMENTS AND
THE AGREEMENT MAY NOT BE ACCEPTED BY THE COUNCIL OF
MINISTERS.)

B) ALL CANADIAN MATERIAL GOING INTO THE COMMUNITY WILL

BE UNDER IAEA AND EURATOM SAFEGUARDS, AS THEY RELATE TO ALL REACTORS WITHIN THE COMMUNITY.

C) NO NUCLEAR SUPPLIES FROM CANADA WILL BE USED IN FRENCH REACTORS UNLESS AND UNTIL THE FRENCH GOVERNMENT ACCEPTS IAEA AND EURATOM SAFEGUARDS. (JAMIESON STATED THAT THE GOC HAS OBTAINED AGREEMENT FROM THE FRENCH GOVERNMENT THAT THEY WILL ACCEPT SUCH SAFEGUARDS UNCLASSIFIED

COVERING CANADIAN MATERIAL. FURTHER, CANADA HAS INSISTED AND FRANCE HAS AGREED, THAT ANY PLUTONIUM DERIVED FROM CANADIAN-SOURCE MATERIAL WILL BE USED ONLY IN THE CIVILIAN POWER PROGRAM. FRANCE HAS ACCEPTED IAEA AND EURATOM SAFEGUARDS AND HAS AGREED TO PROCEED TO ACQUIRE THESE. "UNLESS AND UNTIL IT DOES, NO CANADIAN MATERIAL WILL BE USED IN ANY FRENCH REACTOR.")

D) NO SENSITIVE REACTOR TECHNOLOGY (FROM CANADA) WILL BE TRANSFERRED FROM ONE COUNTRY TO ANOTHER WITHIN THE EC UNLESS THE RECEIVING COUNTRY HAS A BILATERAL AGREEMENT WITH CANADA THAT SUCH TRANSFER IS PERMITTED. (COMMENT WAS THAT NOT ONLY WILL THERE BE AN "IAEA KIND OF SAFEGUARDS," BUT IN ADDITION IT WILL NOT BE POSSIBLE FOR ANY COUNTRY, E.G. FRANCE, TO ACQUIRE CANADIAN TECHNOLOGY UNLESS THAT COUNTRY HAS NEGOTIATED A BILATERAL UNCLASSIFIED

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AGREEMENT WITH CANADA.)

E) NO REPROCESSING OF CANADIAN-SUPPLIED FUEL WILL BE PERMITTED WITHOUT PRIOR CONSULTATION. (JAMIESON GAVE A LONG DISSERTATION ON THE TWO SCHOOLS OF THOUGHT ABOUT REPROCESSING. ONE BEING THE U.S. VIEW THAT REPROCESSING IS NOT A NECESSARY PART OF ANY CIVILIAN NUCLEAR DEVELOPMENT PROGRAM, THAT REPROCESSING TENDS TO LEAD TO THE PROLIFERATION IN THE AMOUNT OF PLUTONIUM, AND THAT THERE IS A TIE TO THE FAST BREEDER PROGRAM. THE OTHER SIDE, REPRESENTED BY FRANCE, THE FRG, AND OTHER "ENERGY SHORT INDUSTRIALIZED COUNTRIES" THINK REPROCESSING IS ESSENTIAL SINCE IT PROVIDES "SIXTY TIMES THE AMOUNT OF UTILIZATION FROM THE SAME AMOUNT OF URANIUM." HE THEN CITED THE INFCE STUDY AS A MEANS OF TAKING A COMPLETE LOOK AT THE FUEL CYCLE AND ITS IMPLICATIONS FROM A PROLIFERATION STANDPOINT. HE COMMENTED THAT THE U.S. HAS NOT EXCLUDED REPROCESSING FOR ALL TIME AND THAT THE U.S. ALSO IS SPENDING SUBSTANTIAL FUNDS ON BREEDER STUDIES.)

F) NO MATERIAL SHIPPED TO THE EC PRIOR TO 1974 WILL

BE REPROCESSED UNLESS CANADA IS CONSULTED IN A "WORTH-
WHILE WAY."

G) THE TERM OF THE NEW AGREEMENT WILL COINCIDE WITH
THE PERIOD OF THE INFCE STUDY OR TWO YEARS, WHICHEVER
IS SHORTER. THE GOC WILL RESUME SHIPMENTS OF MATERIALS
TO THE EC DURING THIS PERIOD.

2. FOLLOWING JAMIESON'S PRESENTATION, JOE CLARK
(LEADER OF THE OPPOSITION) STATED THAT WITH THE CHANGE
FROM "VETO" TO "PRIOR CONSULTATION" OVER REPROCESSING,
THE GOVERNMENT HAS CAVED-IN, AS FAR AS PRINCIPLE IS

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CONCERNED AND ALSO NOW APPEARS TO HAVE A DOUBLE
STANDARD--ONE FOR THE EC AND ANOTHER FOR THE REST OF
THE WORLD. THIS WAS VEHEMENTLY DENIED BY JAMIESON WHO
INSISTED THAT THE NEW AGREEMENT WILL "CONFORM TO THE
1974 POLICY STATEMENT." HE FURTHER STATED THAT IT IS
HIGHLY UNLIKELY THAT ANY URANIUM SHIPPED TO THE EC
WITHIN THE NEXT TWO OR THREE YEARS WOULD BE READY FOR
REPROCESSING UNTIL THE 1980'S.

3. IN FURTHER JUSTIFICATION, JAMIESON SAID THAT THE
GOC DOESN'T WANT TO CONTINUE AN EMBARGO ON URANIUM TO
THE EC AND PUT THEM IN A SERIOUS DEFICIT POSITION,

WHEN THE LATTER HAS AGREED TO STUDY (INFCE) THE IMPLICATIONS OF REPROCESSING IN THE FAST BREEDER REACTOR PROGRAMS. HE ALSO COMMENTED THAT CANADA CANNOT GO ON MINING AND STOCKPILING URANIUM, FROM AN ECONOMIC STANDPOINT.

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4. REFERENCE WAS MADE TO RELATIONS WITH JAPAN WITH JAMIESON EXPRESSING THE OPINION THAT THE INTERIM AGREEMENT WITH THE U.S. MAY HELP IN SOLVING THE DOUBLE-LABELLING PROBLEM.

5. COMMENT: JAMIESON APPARENTLY ORIGINALLY PLANNED TO DISCUSS THE EC/GOC NUCLEAR AGREEMENT TERMS WITH PARLIAMENT AFTER ACTION BY THE EC COUNCIL OF MINISTERS, BUT DECIDED TO TAKE IT UP BEFORE THE RECESS, SINCE THE COUNCIL OF MINISTERS' DECISION IS LIKELY TO COME DURING THIS PERIOD. JAMIESON GAVE A RATHER FULL PRESENTATION OF THE PROPOSED TERMS AND CONDITIONS OF THE AGREEMENT. BALL IS NOW IN COUNCIL OF MINISTERS' COURT. ENDERS

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